

Income Tax (Concessionary Rate of Tax for Foreign Income of Approved Container Investment Enterprise) Order 2017

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No. S 289

**INCOME TAX ACT
(CHAPTER 134)**

**INCOME TAX
(CONCESSIONARY RATE OF TAX FOR
FOREIGN INCOME OF APPROVED**

CONTAINER INVESTMENT ENTERPRISE)
ORDER 2017

In exercise of the powers conferred by section 13(12) of the Income Tax Act, the Minister for Finance makes the following Order:

Citation and commencement

1.—(1) This Order is the Income Tax (Concessionary Rate of Tax for Foreign Income of Approved Container Investment Enterprise) Order 2017 and, except for paragraphs 5 and 6, is deemed to have come into operation on 1 April 2008.

(2) Paragraph 6 is deemed to have come into operation on 2 April 2008.

(3) Paragraph 5 is deemed to have come into operation on 18 December 2012.

Definitions

2. In this Order —

“approved company”, in relation to an ACIE, means a company of which the ACIE is a shareholder, that is approved under paragraph 3;

“approved container investment enterprise”, or ACIE, means a container investment enterprise approved under section 43ZA of the Act;

“approved partnership”, in relation to an ACIE, means a partnership of which the ACIE is a partner, that is approved under paragraph 3;

“container” has the same meaning as in section 43ZA(7) of the Act.

Approval

3.—(1) The Minister or such other person as the Minister may appoint may approve a company or partnership of an ACIE for the purposes of this Order.

(2) The Minister or appointed person may only approve a company or partnership if the Minister or appointed person is satisfied that —

- (a) the company or partnership is incorporated, registered or formed outside Singapore;
- (b) the company or partnership carries on a business relating to the leasing, for the international transportation of goods, of one or more containers owned by it, or intends to carry on such business;
- (c) the company or partnership carries on that business, or intends to carry on

that business, from a place outside Singapore;

- (d) the company or partnership intends to pay dividends or partnership profits derived from such business to the ACIE, and these payments will promote or enhance the economic development of Singapore; and
- (e) the containers which the company or partnership owns or which it intends to acquire for that business are controlled and managed, or will be controlled and managed, by the ACIE.

Concessionary tax rate for income relating to leasing containers and related foreign exchange and risk management activities

4.—(1) Tax at the rate specified for any income of an ACIE under section 43ZA(1) of the Act, is levied and must be paid on the income described in sub-paragraph (2) of the ACIE that is received in Singapore during the period of the ACIE's approval.

(2) The income to which sub-paragraph (1) applies is dividends of an approved company of the ACIE, or partnership profits of an approved partnership of the ACIE, that are paid out of income derived by the approved company or approved partnership, during the company's or partnership's period of approval, from any of the following activities:

- (a) the leasing during the qualifying period of any container owned by the approved company or approved partnership, that is acquired before or during the period of the company's or partnership's approval and is used for the international transportation of goods;
- (b) foreign exchange and risk management activities that are carried out in connection with and incidental to the activity mentioned in sub-paragraph (a).

(3) Sub-paragraph (1) also applies to the income of the ACIE described in sub-paragraph (2) that is —

- (a) received in Singapore after the date the ACIE's approval has expired or been withdrawn; or
- (b) paid out of income derived by an approved company or approved partnership of the ACIE from any of the activities mentioned in sub-paragraph (2) after the date the approval of the approved company or approved partnership has expired or been withdrawn,

if the ACIE has fulfilled all of the conditions specified under section 43ZA(4) of the Act for its approval by the date of expiry or before the date of the withdrawal of the approval.